

WILLMAR CITY COUNCIL PROCEEDINGS
COUNCIL CHAMBERS
WILLMAR MUNICIPAL UTILITIES BUILDING
WILLMAR, MINNESOTA

November 17, 2003
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Lester Heitke. Members present on a roll call were Mayor Heitke, Council Members Doug Reese, Ron Christianson, Bruce DeBlieck, Denis Anderson, Nancy Houlahan, Rick Fagerlie, Jim Dokken, and David Chapin; Present 9, Absent 0.

Also present were City Administrator Michael Schmit, City Attorney Richard Ronning, Police Chief Jim Kulset, Fire Chief Marv Calvin, Public Works Director Mel Odens, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and Administrative Assistant Audrey Peterson.

Council Member Reese requested that the Planning Commission Minutes of November 12, 2003, be removed from the Consent Agenda.

Council Member DeBlieck offered a motion adopting the Consent Agenda which included the following: City Council Minutes of November 3, Rice Hospital Board Minutes of November 11, Municipal Utilities Commission Minutes of November 12, Building Inspection Report for October, Pioneerland Library Board Minutes of September 18, and Willmar Senior Citizens Council Minutes of November 5, 2003. Council Member Fagerlie seconded the motion, which carried.

The Mayor and Council began a review of the Planning Commission item regarding the Teenhope of Minnesota request for a conditional use permit to operate a free meal banquet hall and sober house on property located in the Central Business District. Mayor Heitke opened the matter for discussion, recognizing a large group of citizens who appeared to voice their support of or opposition to Teenhope's plans to operate a soup kitchen and sober house in Downtown Willmar.

Following a lengthy discussion, Council Member Reese moved to return the request for the Conditional Use Permit to the Planning Commission for further consideration. Council Member Chapin seconded the motion which failed on a roll call vote of Ayes 4, Noes 4 – Council Member Christianson, Anderson, Houlahan and Fagerlie voted "No."

Council Member Reese moved to veto the portion of the Planning Commission Minutes dealing with Teenhope's conditional use permit. Council Member Chapin seconded the motion which failed on a roll call vote of Ayes 4, Noes 4 – Council Member Christianson, Anderson, Houlahan and Fagerlie voted "No."

Council Member Reese then moved to approve the Planning Commission Minutes of November 12, 2003. Council Member Chapin seconded the motion which resulted in a tie vote of Ayes 4, Noes 4 – Council Member Reese, Chapin, Dokken and DeBlieck voted "No." Mayor Heitke voted to break the tie and approve the Commission's minutes.

Mayor Heitke called for a recess at 8:40 p.m. and reconvened the meeting at 8:48 p.m.

At 8:48 p.m. Mayor Heitke opened a hearing on a currency exchange license renewal for Bennett Ventures Inc. dba Ace Cash Express. Chris Bennett, Vice President of Bennett Ventures

Inc., appeared before the Mayor and Council to present a brief profile of Ace Cash Express. Upon hearing all those who wished to be heard, Mayor Heitke closed the hearing at 8:50 p.m.

Council Member Christianson moved to approve the currency exchange license renewal for Bennett Ventures Inc. dba Ace Cash Express. Council Member Houlahan seconded the motion, which carried.

At 8:50 p.m. Mayor Heitke opened a hearing on an Ordinance Authorizing the Issuance of \$1,140,000 General Obligation Revenue Waste Treatment Plant Bonds, Series 2004A. City Administrator Schmit informed the Mayor and Council the revenue generated from the sale of the bonds are for the replacement of the remaining three RBCs and Biofilter Project at the Wastewater Treatment Plant. There being no one present to speak for or against the proposed Ordinance, Mayor Heitke closed the hearing at 8:51 p.m.

Council Member Reese offered a motion to adopt, assign a number and order final publication of the Ordinance Authorizing the Issuance of \$1,140,000 General Obligation Revenue Waste Treatment Plant Bonds, Series 2004A. Council Member DeBlieck seconded the motion which carried on a roll call vote of Ayes 8, Noes 0.

Resolution No. 1 was introduced by Council Member Reese, seconded by Council Member Anderson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0

RESOLUTION NO. 1

PROVIDING FOR THE COMPETITIVE NEGOTIATED SALE OF \$1,410,000 GENERAL OBLIGATION WASTEWATER REVENUE BONDS, SERIES 2004A

(For Resolution in its entirety, see City Council Proceeding file dated
November 17, 2003, located in the City Clerk's Office)

At 8:52 p.m. Mayor Heitke opened a hearing on an Ordinance Granting a Franchise to CenterPoint Energy Minnegasco and Establishing Terms and Conditions which included a franchise fee. Mayor Heitke noted that this was the second public hearing on the Ordinance and the purpose of the franchise fee would be to replace revenue lost in State funding cutbacks. Several individuals appeared before the Mayor and Council to voice their opposition to the proposed Ordinance. Upon hearing all those who wished to be heard, Mayor Heitke closed the hearing at 9:20 p.m.

Council Member Anderson offered a motion to adopt, assign a number and order final publication of the Ordinance Granting a Franchise to CenterPoint Energy Minnegasco and Establishing Terms and Conditions. Council Member Reese seconded the motion which failed on a roll call vote of Ayes 4, Noes 4 – Council Member Christianson, Chapin, Dokken and Fagerlie voted “No.” It was noted there must be five affirmative votes by the Council in order for an Ordinance to pass.

Mayor Heitke acknowledged that no one had signed up to address the City Council during its scheduled Open Forum.

The Public Works/Safety Committee Report of November 10, 2003, was presented to the Mayor and Council by Council Member Reese. There were three items for Council consideration.

Item No. 1 Representatives of the Blue Line Club (BLC) appeared before the Committee to make a request to install a refrigeration system into the existing gravel floor of the Blue Line Center. Lee Wierschem gave a brief history of the building and indicated the natural ice method of providing a second sheet is not working and the Blue Line Club is pursuing this system to make artificial ice. The system they have found is a one-year old indirect system run by three compressors and is air cooled.

The BLC's intent is to guarantee ice through the hockey season, which is a minimum of five months. The Club has received authorization from three lenders to provide financing upon the City's approval of the improvements. The quoted price of the improvements is \$169,000, which requires the Blue Line Club provide volunteer labor.

Ken Warner and Stephanie Myogeto of the Conventions and Visitors Bureau were present at the Committee meeting and offered the opinion that the system should not be installed in gravel. Ms. Myogeto said leaving a gravel floor would eliminate her ability to market this building for any expos or trade shows, and pointed out that it has been difficult to promote the Blue Line Center in the past due to the gravel flooring.

Staff recommended not allowing the refrigeration system to be installed in gravel and reminded the Committee that the building ownership needs to be resolved before participating or approving improvements. The Committee discussed the long-term and past use of the building and the eventual City ownership. The Committee felt there is need for a second sheet of ice as it has been talked about for a number of years, which included recommendation from a Mayor's Citizen Task Force.

The Committee was recommending to the Council that the City participate with the Blue Line Club by assisting with the concrete portion of the project and also resolve the ownership issue.

Glen Bangen and Lee Weirschem appeared before the Mayor and Council to answer questions. Following a lengthy discussion, Council Member Chapin offered a motion to refer the matter to staff to come to an agreement with the BLC to install the refrigeration system in concrete and to resolve financing/ownership issues. Council Member Reese seconded the motion, which carried.

Item No. 2 The Committee reviewed the intent of Willmar Area Transportation Study to provide an updated transportation system plan for the Willmar area based on current transportation deficiencies and needs through the 2030 planning horizon. The plan splits the roadway system into three subareas, which are the relocation of the Willmar Airport, the residential growth north of the lakes area, and the southeast region, including the growth adjacent to the T.H. 71-23 Bypass.

The Committee was informed by staff that three entities participating in the \$75,000 study through a joint venture are the State of Minnesota (80%), Kandiyohi County (10%) and the City of Willmar (10%).

The Committee was recommending the Council accept the Willmar Area Transportation Study report and authorize the Mayor and City Administrators to authorize final payment. Resolution No. 2 was introduced by Council Member Reese, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

ACCEPTING PROJECT AND AUTHORIZING FINAL PAYMENT

IMPROVEMENT: Willmar Area Transportation Study
CONTRACTOR: Short Elliott Hendrickson Inc.
APPROVE, CITY ENGINEER: November 10, 2003

BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, that:

1. The said Willmar Area Transportation Study be herewith approved and accepted by the City of Willmar.
2. The following summary and final payment be approved:

ORIGINAL AMOUNT:	\$7,500.10
Change Orders (None)	\$0.00
FINAL NET CONTRACT AMOUNT, PROPOSED:	\$7,500.10
ACTUAL FINAL CONTRACT AMOUNT AS CONSTRUCTED:	\$7,500.10
Less Previous Payments (None)	\$0.00
FINAL PAYMENT DUE CONTRACTOR:	\$7,500.10

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 3 The Committee considered a request from the Fire Chief to apply for a grant to purchase one Automatic External Defibrillator from the Minnesgasco Community Partnership Grant. The Committee was recommending the Council approve staff's application for the grant as presented. Council Member Reese moved to approve of the recommendation of the Public Works/Safety Committee with Council Member Christianson seconding the motion, which carried.

The Public Works/Safety Committee Report for November 10, 2003, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Reese, seconded by Council Member Christianson, and carried.

The Finance Committee Report for November 12, 2003, was presented to the Mayor and Council by Council Member Anderson. There were seven items for Council consideration.

Item No. 1 The Committee reviewed the Budget for the Economic Development Commission of Willmar/Kandiyohi County for year ending December 31, 2004. The proposed budget is increasing from a 2003 budget of approximately \$206,000 to a proposed amount of \$327,000. The total funding source of the proposed budget would come from a property tax levy certified to the County Auditor. By Statute the Joint Powers Commission has the authority to levy an amount no more than \$469,000.

Due to this being the first year of the Joint Powers Commission, the Committee discussed

the problem of operating reserves and cash flow reserves. Chairman Anderson indicated that he would communicate with either City Administrator Schmit or County Administrator Thompson to try and find a solution and possible recommendation to fund a reserve at some level. This matter was for information only.

Item No. 2 The Committee continued its discussion of a local option sales tax. The various projects and the level of Council support was again reviewed, and projects with a majority of support by the full Council receiving the most discussion.

The Committee was recommending to the Council that the Airport/Industrial Development Park Development and Bike/Hike Trails be considered for funding utilizing a Local Option Sales Tax. Council Member Anderson moved to approve the recommendation of the Finance Committee with Council Member Chapin seconding the motion.

Mayor Heitke recognized Hans Dahl who requested the Council to reconsider the Willmar Regional Treatment Center purchase and development.

Council Member Chapin moved to amend the motion to add the Blue Line Club with Council Member Anderson seconding the motion, which carried. Council Member DeBlieck moved to amend the motion to include the purchase and redevelopment of the Willmar Regional Treatment Center. Council Member Reese seconded the motion which resulted in a roll call vote of Ayes 4, Noes 4 – Council Member Christianson, Chapin, Dokken and Fagerlie voted “No.” Mayor Heitke cast the deciding affirmative vote. The original motion then carried on a roll call vote of Ayes 5, Noes 3 – Council member Christianson, Dokken and Fagerlie voted “No.”

Item No. 3 The Committee considered a recommendation from staff for the purchase of a fourth camera for the City Council Chambers. The funding would come from undesignated reserves. The Committee was recommending the Council pass a resolution to purchase the camera.

Resolution No. 3 was introduced by Council Member Anderson, seconded by Council Member Chapin, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to amend the WRAC-8 Budget as follows.

Decrease:	Reserve	\$ 2,500
Increase:	Operating Budget-Capital Equipment	\$ 2,500

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 4 The Committee presented staff with a list of questions to put on the November 24, 2003, Committee agenda for discussion. This matter was for information only.

Item No. 5 The Committee reviewed an update on the Airport Project and a number of HNTB funding authorization resolutions. It was noted a number of resolutions contained incorrect not-to-exceed dollar amounts due to errors in accumulating all contract amendments.

The Committee was recommending the Council pass a resolution amending the HNTB contract not-to-exceed amount to reflect all contract amendments authorized previously. Resolution No. 4 was introduced by Council Member Anderson, seconded by Council Member Christianson, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the Willmar City Council that the Airport Project contract with HNTB be amended to reflect the following changes in contract not-to-exceed amounts:

Resolution #13; September 15, 2003; not-to-exceed; \$1,840,775
Resolution #12; September 15, 2003; not-to-exceed; \$1,439,575
Resolution #5; June 2, 2003; not-to-exceed; \$1,260,575
Resolution #7; May 5, 2003; not-to-exceed; \$1,056,575
Resolution #8; June 17, 2003; not-to-exceed; \$562,002 and \$695,002

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 6 Staff presented to the Committee information on the Police Department's 2003 Safe and Sober campaign and a bullet-proof vest grant. The Committee was recommending the Council pass the appropriate resolutions.

Resolution No. 5 was introduced by Council Member Anderson, seconded by Council Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

BE IT RESOLVED by the Willmar City Council that the Police Department budget be amended to include a Safe and Sober grant in the amount of \$2,287.00.

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Resolution No. 6 was introduced by Council Member Anderson, seconded by Council

Member Dokken, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

BE IT RESOLVED by the Willmar City Council that the Police Department budget be amended to include a Federal grant in the amount of \$2,708 for bullet-proof vests.

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 7 The Committee reviewed the following reports: Third Quarter Interest; Third Quarter Investment Activity; September 30, Investment Portfolio; September 30, 2003, Rice Trust; and Third Quarter Community Foundation. This matter was for information only.

The Finance Committee Report for November 12, 2003, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Anderson, seconded by Council Member Houlahan and carried.

Council Member Reese noted that it was 11:00 p.m. and moved that the Council waive its self-imposed the 11:00 p.m. deadline. Council Member DeBleck seconded the motion, which carried.

The Community Development Committee Report for November 13, 2003, was presented to the Mayor and Council by Council Member DeBleck. There were six items for Council consideration.

Item No. 1 The Committee reviewed a summary of the 2002 housing study conducted by Community Partners. It was a consensus of the Committee that the local housing market was keeping pace with housing demand. As a follow up to the previous meeting, the Committee discussed the proposed Southwest Minnesota Housing Partnership Project and their request for tax increment financing/tax abatement and reduced development standards.

The Committee was recommending the City Council deny the request by the Southwest Minnesota Housing Partnership for tax increment financing/tax abatement and reduced development standards in their proposed housing project in southwest Willmar. Council Member DeBleck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Item No.2 The Committee discussed the enforcement of exterior maintenance standards for residential units within the City. It was hoped that the revised State Building Code would include language that would provide the City a better method to deal with deteriorating residential conditions. As adopted, the new state code does not do that. It was a request by the Committee that staff present the exterior maintenance standards proposal at the various COPS meetings, and that public input be solicited as the City pursues ordinance adoption. This is to be accomplished over the winter months. This matter was for information only.

Item No. 3 The Committee continued its discussion of the noise issue at the fairgrounds race track. The taskforce subcommittee has not yet met to review complaints from the 2003 racing season. Charlie Nelson, a north-side resident and KRA member, spoke in favor of tree planting and a noise barrier as one possible method of reducing the noise. He said a majority of the north-side residents that he has spoken to support a physical noise reduction strategy. The Committee acknowledged efforts by the KRA and Fair Board to control noise and to deal with residents. It was the desire of the Committee that the subcommittee of the task force meet to discuss and address the noise issue. This matter was for information only.

Item No. 4 The Committee reviewed a summary sheet of ordinances written to control the use of phosphorous fertilizer. This was in response to recent complaints about degradation of water quality in Foot and Willmar lakes. The Committee will review the information for future discussion, and this matter was for information only.

Item No. 5 The Committee reviewed resolutions to decertify the Center City Tax Incrementing Financing District, as amended, as well as the Cashwise Tax Increment Financing District. Both projects are complete, not only in project development, but in debt repayment. It was noted that there was excess increment that will be forwarded to the County Auditor for his distribution back to the affected taxing jurisdictions.

The Committee was recommending the Council adopt the resolutions decertifying the Center City Tax Increment Financing District, as amended, and the Cashwise Tax Increment Financing District.

Resolution No. 7 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

DISSOLVING TAX INCREMENT FINANCING DISTRICT (CENTER CITY, AS AMENDED)

WHEREAS, in June 1981 the City of Willmar established the Center City Tax Increment Financing District and adopted a plan therefore; and

WHEREAS, that original district and plan was amended three times as follows: June 1983-Hotel/Theater project, April 1994 – Shared Health Resources, LLC project, and February 2000 – Street Improvement project; and

WHEREAS, all of the capital and administrative costs of the tax increment financing district which were set forth in the plan have been paid or provided for; and

WHEREAS, there is currently on deposit in the Center City Tax Increment Financing District Tax Increment Account excess tax increments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar as follows:

1. The City Council hereby finds, determines and declares to dissolve the Center City Tax Increment Financing District as of November 17, 2003.

2. Any excess tax increments held in the Tax Increment Financing District Tax Increment

Account shall be returned to County Auditor of Kandiyohi County for distribution to the affected tax jurisdictions in accordance with Minnesota Statutes, Section 469.176 Subd. 2.

3. The City Administrator is hereby directed to send a copy of this resolution to the County Auditor of Kandiyohi County and to take all other steps which are necessary to dissolve the Tax Increment Financing District and to distribute the excess tax increments.

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Resolution No. 8 was introduced by Council Member DeBlieck, seconded by Council Member Fagerlie, read by Mayor Heitke, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 8

DISSOLVING TAX INCREMENT FINANCING DISTRICT (CASHWISE)

WHEREAS, in April 1992 the City of Willmar established the Cashwise Tax Increment Financing District and adopted a plan therefore; and

WHEREAS, all of the capital and administrative costs of the tax increment financing district which were set forth in the plan have been paid or provided for; and

WHEREAS, there is currently on deposit in the Cashwise Tax Increment Financing District Tax Increment Account excess tax increments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar as follows:

1. The City Council hereby finds, determines and declares to dissolve the Cashwise Tax Increment Financing District as of November 17, 2003.

2. Any excess tax increments held in the Tax Increment Financing District Tax Increment Account shall be returned to County Auditor of Kandiyohi County for distribution to the affected tax jurisdictions in accordance with Minnesota Statutes, Section 469.176 Subd. 2.

3. The City Administrator is hereby directed to send a copy of this resolution to the County Auditor of Kandiyohi County and to take all other steps which are necessary to dissolve the Tax Increment Financing District and to distribute the excess tax increments.

Dated this 17th day of November, 2003.

/s/ Lester Heitke
MAYOR

/s/ Michael Schmit
Attest: CITY ADMINISTRATOR

Item No. 6 The Committee reviewed a letter from Coborn's Incorporated requesting that the City pursue the relocation of 3rd Street SE on the east side of the Cashwise store. The request is based on the desire by Coborn's to expand their Cashwise/Little Duke's facilities. The Coborn's letter also points out the advantages of relocating the road and continuing it south along the ditch to 19th Avenue to provide better access to the east side of the mall. It could also serve as an alternate connection to 19th Avenue for persons that wish not to drive on First Street. The letter will be forwarded to the Public Works Director for consideration by the Public Works/Public Safety Committee. This matter was for information only.

The Community Development Committee Report for November 13, 2004, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Fagerlie, and carried.

Planning and Development Services Director Peterson presented to the Mayor and Council for consideration a preliminary plat for Seventh Addition to Lakewood, a 24-lot single-family residential plat in Northeast Willmar. It was noted the Planning Commission approved the plat with numerous conditions relating to right-of-way. Council Member Fagerlie moved to approve the preliminary plat for Seventh Addition to Lakewood with Council Member Dokken seconding the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, November 24; and Public Works/Safety, November 25, 2003.

There being no further business to come before the Council, the meeting adjourned at 11:09 p.m. upon motion by Council Member Christianson, seconded by Council Member Chapin, and carried.

Attest:

MAYOR

ACTING SECRETARY TO THE COUNCIL